

Finance Committee Regular Meeting
Minutes of the November 7, 2017

Dodge County Finance Committee Chairman, Dave Frohling called the Finance Committee meeting to order at 7:30 a.m. on Tuesday, November 7, 2017 in Room H & I – Auditorium of the Administration Building. Chairman Frohling took roll and the following were present: Frohling, Schaefer, Benter, Fink and Guckenberger.

Also present: County Board Chairman Russ Kottke, Supervisor Donna Maly, Jeff Caine, and Joe Marsik, Jim Mielke, Julie Kolp, Patti Hilker, Becky Bell, Kim Nass, Monica Hooper, Bill Wiley, Jane Hooper, Brian Field, Lori Fett, Scott Smith, Russ Freber, Karen Gibson, and Eileen Lifke.

Julie Kolp, Finance Director certified the public notice given for this meeting complies with the requirements of Wisconsin's open meetings law.

Motion by Benter and 2nd by Schaefer to allow the chair to deviate from the agenda at his discretion. Motion carried with unanimous approval.

Motion by Schaefer and 2nd by Guckenberger to approve September 26, 27, and 28 and October 24, 2017 special committee meeting minutes and October 10, 2017 regular committee meeting minutes as presented. Motion carried with unanimous approval.

Resolution – Transfer Funds from 2017 Information Technology Department Budget to Various 2017 Department Budgets. Julie Kolp, Finance Director presented information on this resolution. According to Kolp, Kronos licenses were part of Information Technology's (IT) 2017 budget. Recent Office of Management and Budget (OMB) guidance allows costs directly related to programs to be directly charge to those programs. Users identify each Kronos license which makes them eligible for direct charge and compliance with OMB guidelines. Supervisor Guckenberger questioned how this was handled for 2018's budget. Kolp was unsure but IT's budget will be reviewed. Motion by Guckenberger and 2nd by Benter to approve Resolution to Transfer Funds from 2017 Information Technology Department Budget to Various 2017 Department Budgets. Motion carried with unanimous approval.

Resolution – Clearview 2017 Dodge County Budget Amendment – Health Facilities Committee. The Fiscal Note set forth in Resolution – Clearview 2017 Dodge County Budget Amendment – Health Facilities Committee was presented to the Finance Committee for its review and approval. The Fiscal Note sets forth a Budget Impact of \$106,100. According to Bill Wiley, Clearview's Finance Director, the resolution is for unbudgeted excess revenue from assisted living and behavioral health. The excess revenue will offset expenditure line items that are currently or may in the future exceeding current 2017 budgeted amounts. Areas of concern involve various household operations and utility charges. This budget amendment will affect both revenues and expenditures. Motion by Schaefer and 2nd by Guckenberger to approve the Fiscal Note as presented and authorize and direct the Finance Committee's Chairman to sign the Fiscal Note and send Resolution – Clearview 2017 Dodge County Budget Amendment – Health Facilities Committee to the County Clerk. Motion carried with unanimous approval.

Jim Mielke, County Administrator requested clarification on the two amendments presented and passed at October 24, 2017's Budget Review meeting. According to Mielke, the first amendment referenced Sales Tax and the second referenced Fund Balance. Mielke questioned if Highway will be gaining \$80,000 because of both amendments passing.

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Kim Nass, Corporation Counsel Director stated the first amendment resulted in an amended 2018 Dodge County Budget Appropriation and Revised Financial Plan resolution. The amended resolution added \$40,000 tax levy to Emergency Management and Fund Balance Applied increased by \$40,000. The summarized 2018 Dodge County Budget (lines 32 – 41) did not change with the passage of the second amendment. Supervisor Maly stated her understanding of the second amendment was a \$40,000 Fund Balance transfer to highway maintenance. Mielke requested a concise explanation of the amendments to be present at November's County Board meeting.

Supervisor Maly requested clarification on the format for budget amendment submittals. County Board Chairman Russ Kottke clarified that amendments presented on the County Board floor must be in writing. There is no documentation regarding formats of resolution amendments presented at committee meetings. Nass stated that since the Finance Chair did not deny the verbal amendment at the October 24, 2017 meeting, it should stand. Nass also recommended that amendments presented at County Board meetings be addressed and voted on individually.

Updating the "*2018 County Administrator's Budget to the County Board of Supervisors*" was questioned. Kolp stated the amended resolution will affect the first part of the budget book. It was suggested to leave the budget book as is until after the budget is passed. Kolp also requested clarification on the type of Fund Balance referenced in the amended budget. Assigned Fund Balance goes directly to the department. Unassigned Fund Balance is used to balance the budget as a whole.

Chairman Frohling suggested a simple memorandum to the County Board supervisors identifying the net effects of the two budget amendments passed at the October 24, 2017 meeting. Overall, the levy increased \$40,000 and Fund Balance will be used to balance the budget. The bottom line will not change. Supervisor Maly was concerned about Resolution 17-45 which included \$40,000 for water rescue equipment. Maly voiced concern about the fire chiefs proceeding with budget plans to purchase the equipment based on the passed resolution. Mielke clarified the chiefs knew that the funding would not be final until November's adoption of the budget. Mielke, Kolp and Nass will work on the memorandum to go out in the November County Board packet.

Brian Field, Highway Commissioner appeared to address the proposed highway equipment purchases identified in 2018's budget. The handout he provided listed asset purchase cost and budgeted auction recovery. The "Difference" column represented the net cost of listed equipment. According to Field, grass mowers had been leasing but after review for the past two years, it was decided to purchase this equipment. The decision was based on resale value and Department of Transportation (DOT) reimbursement criteria. Field clarified that three quad axles will be replaced in 2018, however only two will be put up for auction.

Kolp reviewed Jail Improvement Fund balance. Beginning 2017, \$221,080 was available with \$67,091 assigned to 2017's budget and an additional \$24,529 added during 2017. Current total expenditures for 2017 is \$91,620 leaving \$129,460 available. According to Russ Freber, Physical Facilities Director, jail improvement requests for this meeting are around \$58,000; some of them are not-to-exceed amounts.

Freber continued with water softener related requests. According to Freber, when the original water softeners were installed, by-pass valves were not installed. In order to install the new softeners, the

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jail will need to run hard water for a while until installation is complete. The by-pass valves are required to redirect the water supply. Costs for labor and materials to install new by-pass valves and piping are an amount not-to-exceed \$19,188. Costs for labor and materials to reinsulate the piping for the new softeners is an amount not-to-exceed \$2,634. The purchase costs for new water softeners is an amount not-to-exceed \$12,891.23. Freber stated that he requested the not-to-exceed pricing opposed to actual quotes because he felt it was to the county's advantage. Motion by Schaefer and 2nd by Fink to approve jail improvement expenditures and pay invoices when received for new water softeners and related installation expenditures. Motion carried with unanimous approval.

Freber provided information on funds requested for the Law Enforcement Center. Concrete repair at the J-Pod was completed for \$6,975. According to Freber, there was a problem at the J-Pod with individuals hiding contraband and/or tripping over raised bricks. Motion by Guckenberger and 2nd by Benter to approve the jail improvement expenditure and pay invoice when received for concrete repair at the Law Enforcement Center (J-Pod). Motion carried with unanimous approval.

Freber requested \$6,975 of jail improvement funds to shorten pipes and reinstall vibration isolators at the Detention Facility. According to Freber, the bill actually was for \$3,995; less than quoted. The original quote was for two days but with the help of maintenance staff, it was completed in one day. Motion by Benter and 2nd by Schaefer to approve the jail improvement expenditure and pay invoice when received for shortening pipes and reinstalling vibration isolators at the Detention Facility. Motion carried with unanimous approval.

Freber addressed the request to repair the Sally Port Doors. According to Freber, the original quote to repair the door for salt damage was for \$8,000. The original plan was to replace the outer skin with stainless steel, which will hold up better to salt damage. Removal of the door's outer skin revealed additional damage. It was decided the best approach to repair would be to take the doors to the shop, add stainless steel channels to the inside structure, install four feet of stainless steel to the bottom and have them painted with high quality paint to protect them better and prevent salt damage. Freber anticipates doing the north Sally Port doors in spring. Motion by Schaefer and 2nd by Benter to approve the jail improvement expenditure and pay invoice when received for repair to the Sally Port doors. Motion carried with unanimous approval.

Kolp presented information on General Fund balances at the October Finance Committee meeting. Kolp requested Highway and Clearview to provide information on their fund balances at November's Finance Committee meeting.

Wiley provided a handout showing fund balance categories for Clearview. According to Wiley, Non-spendable are inventories and prepaid insurances and services. Assigned is Marsh County Health Alliance (MCHA) with the remainder being the balance of year-end net gains. According to Wiley, counties who join MCHA must pay a one-time \$5,000 fee. Assigned fund balance relating to MCHA is \$35,000. This fee is used for consortium's operation expenses. In 2017, Clearview received \$60,000 as part of the siding settlement. The Health Facility Committee requested the settlement amount be set aside for future siding replacements. This will also be part of 2017's year-end Assigned fund balance. According to Wiley, some siding has been replace but more replacement is needed. A final settlement check is anticipated by 2020.

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Field presented a document regarding Highway's fund balance. According to Field, Non-spendable is inventory such as fuel, salt, automotive parts, and other encumbered funds. Assigned is savings from business units throughout the year. During the budgeting process, based on remaining expenditures, a conservative balance is forecasted for the upcoming year and that amount is the beginning of the following year's budget. Past fund balances have been as high as \$7 million and as low as 200,000. When asked why balances are not used by year-end, Field commented that it is more efficient to carry over to ensure proper planning for future projects.

Monica Hooper, Human Services and Health (HSHD) Fiscal Support Services Division Manager reviewed NetSmart billing progress. According to M. Hooper, by day-end, all billing should be completed for August. Billing for a number of areas has been completed through September. Unposted revenue is around \$1.3 million, however write-offs and denials have not been considered in this number. After a full month's closing, HSHD will have a better idea of the amount. M. Hooper is waiting for confirmation from NetSmart that open ticket items will be resolved if a hard close is performed. To request NetSmart to open a month after it has been closed could be very costly to Dodge County. Supervisor Guckenberger recognized Becky Bell, Health and Human Services Director, M. Hooper and HSHD staff for all of their hard work with addressing NetSmart issues and the progress they have made.

Kolp reported on the status of combining payrolls. Kolp stated the process of creating the white paper with recommendations was placed on hold per Jim Mielke and Sara Hinze, Human Resource Director. However, as of yesterday (November 6, 2017), Kolp was directed to resume creating the white paper with a recommendation due in February 2018.

The County Treasurer provided committee members copies of September 2017's Statement of Cash. October 2017's County Investment holdings were presented for review. Patti Hilker, Treasurer commented that interest rates are going up. As Ehlers investment come due, they are being redeemed and deposited in the Local Government Investment Pool (LGIP). This week a 3 year Landmark CD with 2 years remaining was sold at 19%. The county made over \$48,000 on the sale.

The monthly county state sales tax remittance report was reviewed. October 2017's remittance for August was \$524,810 compared to \$522,952 from the same period in 2016. The fiscal year remittance to date is \$5,454,130 compared to \$4,878,192 the same period in 2016.

Intra-Department Fund Transfers were reviewed and approved by consensus.

Vouchers \$10,000 or more was reviewed. It was noted the report included an error in posting. A voucher was created for 2018 and was included on the report. Kolp verified that the posted check had the correct date. Finance is in the process of correcting the voucher date.

Kolp reported on the Enterprise Resource Planning (ERP) system. The contract is in the process of being finalized. According to Kolp, there is a security concern. Tyler is requesting access to the network and the county will not be able to control what they are accessing or downloading. Language is being incorporated in the contract regarding Tyler's access to the network. Other ERP highlights include:

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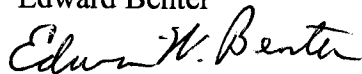
- Contract's payment schedule is to align with statement of work and milestones. Payment schedules are addressed for the first phase but not the second phase. Government Finance Officer Association (GFOA) and Dodge County are requesting clarity on the payment schedule and not assumptions.
- Corporation Counsel continues to review the contract.
- Andrew Miller, Veteran Services Director will replace the recently vacated IT position. Miller has prior experience with IT projects. He will be coming on board as IT experience opposed to IT replacement.
- Implementation slotted to begin in January.

Nass provided an overview of the Internal Revenue Service (IRS) penalty. According to Nass, the payment was an overpayment opposed to no payment. The IRS penalty is for sending the IRS a check. The county is working with an attorney who is familiar with IRS penalties. On October 10, 2017, the county received denial for the request to waive the penalty. According to Nass, this is expected. The attorney submitted a second level of appeal on October 31, 2017. It is believed that the front line of the IRS did not realize two payments were received and a waiver for the penalty is anticipated. A response to the appeal is not expected for another two months. Attorney cost are capped at \$1,600.

With no other business on the agenda, Chairman Frohling declared the meeting adjourned at 8:51 a.m.

December 12, 2017 at 8:00 a.m. in Room H & I – Auditorium on the 1st floor of the Dodge County Administration Building.

Edward Benter



Secretary